

Message Text

CONFIDENTIAL

PAGE 01 BAGHDA 00073 130914Z

44

ACTION NEA-13

INFO OCT-01 EUR-25 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-10 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 DRC-01 EA-11

/181 W

----- 012909

R 101000Z FEB 74

FM USINT BAGHDAD

TO SECSTATE WASHDC 766

INFO AMEMBASSY ANKARA

AMEMBASSY BEIRUT

AMEMBASSY COLOMBO

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY NEW DELHI

AMEMBASSY STOCKHOLM

AMEMBASSY TEHRAN

C O N F I D E N T I A L BAGHDAD 0073

E.O. 11652: GDS

TAGS: ENRG, IZ

SUBJECT: IRAQI OIL POLICY AND PRICES

REF: BAGHDAD 47

1. IRAQ CONTINUES TO BASK IN HIGH LEVEL ATTENTION FROM JAPAN, FRANCE, INDIA AND LESSER POWERS AND REMAINS RECEPTIVE TO BI-LATERAL ARRANGEMENTS TO PROMOTE INDUSTRIALIZATION. HOWEVER, BY ALL REPORTS, GOI INSISTING THAT THERE BE NO DIRECT LINK BETWEEN FOREIGN FINANCIAL AND TECHNICAL ASSISTANCE AND OIL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BAGHDA 00073 130914Z

PURCHASES. NOR IS THERE MUCH EVIDENCE THAT POTENTIAL

PARTNERS RECEIVING CONCESSIONAL PRICE. ACCORDING TO FRENCH COMMERCIAL COUNSELLOR IRAQI POLICY IS: "YOU HELP US WITH WHAT WE NEED AND WE WILL HELP YOU WITH YOUR OIL REQUIREMENTS AT APPROPRIATE TIME. NEGOTIATION OF QUANTITY AND PRICE MUST, HOWEVER, TAKE PLACE SEPARATELY."

2. PRICE INFORMATION DIFFICULT TO COME BY, BUT FOLLOWING ARE BELIEVED FAIRLY RELIABLE FOR FIRST QUARTER 1974 PURCHASES: BASRA OIL; SWEDEN AGREED TO PAY 12 DOLS PER BARREL FOR UNSPECIFIED AMOUNT. CEYLON WAS OFFERED 12 DOLS PER BARREL AND TURNED IT DOWN. INDIA, WHICH HAS SPECIAL IMPORTANCE FOR IRAQ (SEPTTEL), REFUSED PRICE OF 10 DOLS AND INDIANS NOW CLAIM TO HAVE OBTAINED PRICE OF 8.50. ACCORDING TO INDIANS THIS IS GOI'S MOST CONCESSIONARY PRICE AND ONE RUSSIANS ARE PAYING.

3. BANIAS OIL: AUSTRIAN COMMERCIAL ATTACHE SAID AUSTRIA PAYING 18.50 FOR LIFTINGS DURING FIRST QUARTER 1974. TURKS HAVE STILL REFUSED TO PAY 15 DOLS (REFTEL) AND ARE AWAITING INSTRUCTIONS FROM ANKARA.

4. GOI HAS INFORMED BPC THAT IT WISHES TO EXERCISE ITS OPTION TO TAKE ROYALTY PAYMENT OF 12.5 PERCENT IN CRUDE FOR SECOND QUARTER OF 1974 (I.E. ABOUT 1.2 MILLION TONS). ACCORDING TO BPC REP, THIS MEANS THAT IRAQ CONFIDENT IT CAN MARKET THIS OIL ABOVE POSTED PRICE OF 11.62 PER BARREL SINCE IT PAYS BPC POSTED PRICE FOR ROYALTY OIL.

5. ON BROADER POLICY, THERE ARE INDICATIONS THAT GOI HAS WORKED CLOSELY WITH FRENCH EMBASSY HERE IN DEVELOPING POLICY OPPOSING U.S. LEADERSHIP IN ENERGY FIELD. MOST RECENTLY, MFA OFFICIAL CONGRATULATED HEAD OF UK INTSEC FOR ENERGY POLICY AND URGED UK TO BACK FRANCE AT WASHINGTON MEETING.

6. DUTCH CHARGE TOLD ME CFP, SHELL AND OTHER EUROPEANS HAD FORMED CONSORTIUM TO BID ON EXPLORATION BLOCKS AND PERHAPS NEW PURCHASE CONTRACTS. HE IMPLIED AMERICAN FIRMS EXCLUDED TO AVOID POLITICAL PROBLEM WITH IRAQIS.
LOWRIE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BAGHDA 00073 130914Z

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, FOREIGN RELATIONS, PETROLEUM CONCESSIONS, PRICES, FOREIGN MINISTERS MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: rowelle0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BAGHDA00073
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: BAGHDAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740243/aaaaboin.tel
Line Count: 107
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: BAGHDAD 47
Review Action: RELEASED, APPROVED
Review Authority: rowelle0
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2002 by elyme>; APPROVED <27-Sep-2002 by rowelle0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IRAQI OIL POLICY AND PRICES
TAGS: ENRG, IZ, FR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005